



AP230 Creating and Maintaining Recurring Voucher Contracts

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AP230

AP230 Creating and Maintaining Recurring Voucher Contracts

Course Overview

The GEARS Payables application allows the Judiciary to make regular, recurring payments. As with all invoices, these regular invoices require vouchers for payment. A **recurring voucher contract** is a template to create vouchers.

The AP230 Creating and Maintaining Recurring Voucher Contracts course discusses how to create recurring voucher contracts for rental / lease agreements in GEARS.

Course Outline

The following sections and lessons provide information and step-by-step instructions on:

- Course Audiences and Prerequisites
- Lesson 1: Managing Voucher Contracts
- Course Summary



Course Audience and Prerequisites

Audience(s)

The Judiciary audiences for this course are:

- District Court Headquarters
- AOC Department of Budget and Finance (DBF)

GEARS Role(s)

This course is intended for Judiciary employees with the following GEARS role(s):

• AP Supervisor

Prerequisites

The recommended prerequisites for this course are:

- INT100 Introduction to GEARS
- AP100 Understanding GEARS Payables



Understanding Procure to Pay

What is Procure to Pay?

Procure to pay is the transactional relationship cycle between Procurement (PO) and Payables (AP). It provides control and visibility over the entire life-cycle of a transaction from the way an item is ordered to the way that final invoice is processed - providing full insight into cash-flow and financial commitments.

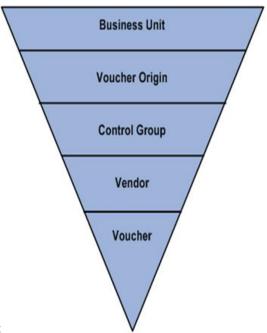
How Does Accounts Payable Work Together with Purchasing?

Accounts Payable and Purchasing work together seamlessly in various ways. They:

- generate vouchers for received goods and services
- perform 2-way or 3-way matching validation among receipts, purchase orders, and invoices
- and allow the user to view related documents and transactions across the entire procure-to-pay process chain

How Does GEARS Manage All of the Data for these Transactions?

As the two modules work together, you may wonder how the data is managed. GEARS utilizes Informational Hierarchies. The Informational Hierarchy consists of the following:



- Business Unit
- Voucher Origin
- Control Group
- Vendor
- Voucher

Each **Business Unit** acts as a separate area of control, representing an independent processing entity. For all Judiciary wide transactions, your business unit is **MDJUD**. The **Voucher Origin** is a designation to identify where the voucher data originated. The most commonly used origin is



Online which is noted as <u>ONL</u>. This identifies that the vouchers was entered online and directly within the Accounts Payable module. The **Control Group** acts just as its name states. It allows control and management over an entire group rather than individual parts that make up the group. The **Vendor** is a company or it could be an individual, which supplies goods or services to another company (in this case the Judiciary). Finally, the **Voucher** is an electronic accounting document produced after receiving a vendor invoice. It represents an internal intent to make a payment to the vendor for goods and/or services for the amount due as noted on the invoice.

With respect to the vendor, all are contained within a centralized location called the **Vendor Master File**. It is a central, comprehensive data base file maintained by the Department of Systems and Fiscal Compliance (DBF) that contains information about vendors used to facilitate financial transactions between companies. The information includes Tax ID, payment terms, address, contacts, and payment or purchase transaction history.

There are several different voucher types that you may need to be able to recognize. They are:

- **Direct Voucher:** This is no source document.
- **Standard Receipt Voucher:** These are vouchers that require a match to an existing receipt.
- **Purchase Order (Express PO) Voucher:** These are vouchers that require a match to a local on-site procurement or corporate level purchase order.

There are steps to voucher processing worth noting. It assists with voucher dependencies and balancing functionality. The steps are to:

- Access the Voucher component.
- Search / Select an approved Vendor.
- Create vouchers online.
- View purchase order and receiver references. Be sure to associate receiver lines with voucher lines for matching.

Matching

With Accounts Payable and Purchasing working together it allows for 2-way and 3-way matching. This is important because it is an internal control within GEARS, and it ensures that you pay for only the goods and services that you order and receive. The following is a quick look at 3-way vs. 2-way matching.



Quick Reference

3-Way Matching vs. 2-Way Matching

3-Way Matching	2-Way Matching
Matches: • Purchase Order • Receipt (Receiving Report) • Vendor's / Supplier Invoice	Matches: • Purchase Order • Vendor's / Supplier Invoice
Commonly used for any goods or services that have been delivered or rendered and a receipt has been processed within the system.	Commonly used for non-item purchases for which there are no receipts that can be processed within the system.
Office SuppliesFurnitureComputers	Repair Services Rent / Lease Agreements Maintenance Contracts



What Happens to My Voucher?

Here is the basic flow of vouchers in PeopleSoft Purchasing:

Create the voucher.

Use the online voucher pages.



Run the Budget Checking Process.

This process determines whether funds exist to cover the cost of the invoice.



Run the Matching Process.

- This process determines whether the appropriate source documents and unit price match the details of the invoice.
 - Matching and Budget checking is required prior to approval.



Approve the voucher.

· The voucher can require approval by your internal supervisor.



DBF the Reviews and Validates the voucher.



The voucher information and corresponding documentation are sent to **GAD** for final processing by the State of Maryland.



GAD sends back the **Warrant/Payment** information within 5-30 days.



The Structure of a Voucher

A voucher consists of (3) basic elements:

- **Header:** The Header contains high-level information about the transaction.
- Line: Line level information details the goods or services being purchased.
- **Distribution:** Distribution level information includes the budget and accounting details for the purchase.

Budget Checking

You can budget-check individual vouchers when you create them online, or you can budget-check multiple vouchers and voucher accounting lines in batch mode. The online version and the batch version of the Budget Processor process perform exactly the same tasks. Batch mode is recommended for efficiency, and it is required if you budget-check voucher accounting lines.



Lesson 1: Managing Voucher Contracts

Lesson Overview:

In the course of paying obligations, the Judiciary sometimes makes recurring payments. You can save time by creating **recurring voucher contracts** for vouchers that are paid repeatedly. Items such as rent and lease payments are often made to the same vendors for consistent amounts. Contract voucher releases are staged to create the vouchers to make repeated payments. Contract voucher releases for recurring voucher contracts are the association of contracts with voucher. After a **recurring voucher contract** is established with releases the subsequent voucher releases are created through the Voucher Build process.

In this lesson, you will learn how to create a recurring voucher contract, stage voucher releases and close a voucher contract, when the contract is no longer needed.

Lesson Objectives:

After completing this lesson, you will be able to:

- Create recurring voucher contracts and stage voucher releases
- Close a voucher contract



1.1 Creating Recurring Voucher Contracts

When establishing **recurring voucher contracts**, you must specify the vendor, voucher line, and Chartfield distribution (accounting) information for a recurring voucher. You must also define the contract information, including the start date, an optional end date, voucher release schedules, and gross amounts.

NOTE: Each vendor can have one or more voucher contracts.

After completing this topic, you will be able to:

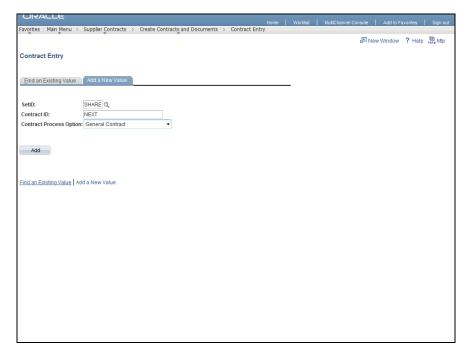
- Create a recurring voucher contract
- Specify required contract elements
- Stage voucher releases

Procedure

In this topic, you will create a recurring voucher contract.

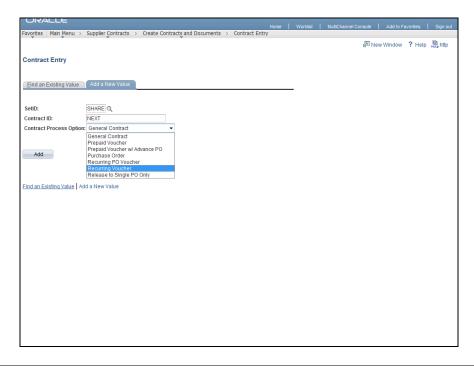
Step	Action
1.	Begin by navigating to the Contract Entry - Contract page.
	Click the Supplier Contracts menu link. Supplier Contracts
2.	Click the Create Contracts and Documents link.
3.	Click the Contract Entry link. Contract Entry



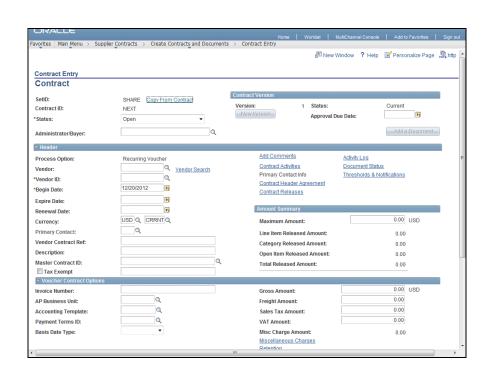


Step	Action
4.	The Contract Entry search page displays.
	Verify he following: - the SetID field displays "SHARE" - the Contract ID field displays "NEXT" NOTE: The Contract ID should always be "NEXT" to allow the system to generate the contract ID.
5.	Click the Contract Process Option list.
	General Contract ▼



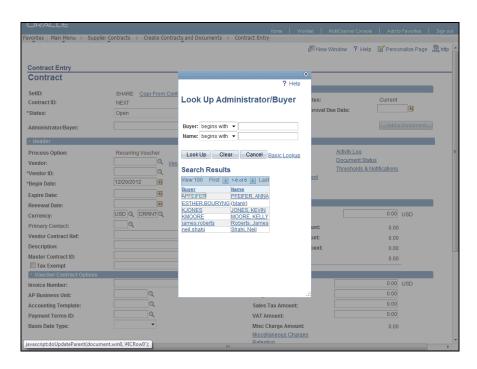


Step	Action
6.	Select the Recurring Voucher list item. Recurring Voucher
7.	Click the Add button.





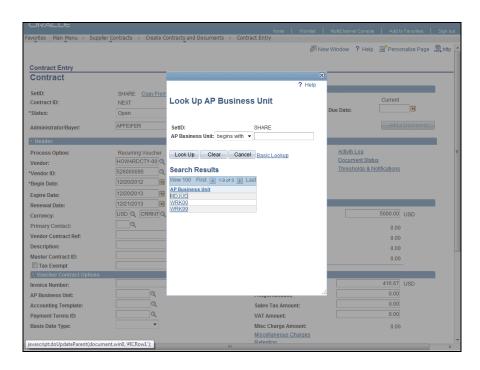
Step	Action
8.	The Contract Entry - Contract page displays.
	Click the Look up Administrator/Buyer button.



Step	Action
9.	The Look Up Administrator/Buyer page displays.
	Click a buyer link to select a buyer. APFEIFER
10.	Enter/select a vendor in the Vendor ID field.
11.	Enter the contract start date into the Begin Date field. For example, enter "12/20/2012".
12.	Enter the contract end date into the Expire Date field. For example, enter a valid value e.g. "12/20/2013".
13.	Enter the desired information into the Renewal Date field. For example, reenter "12/21/2012".

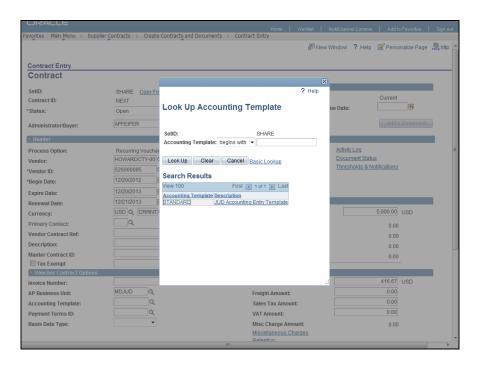


Step	Action
14.	Use the Maximum Amount field to enter a value that specifies the total amount this contract should not exceed. The total released amount of all lines plus the amount released for open items must not exceed this amount.
	For example, reenter the Maximum Amount of "5000".
15.	The gross amount of the vouchers released is entered into the Gross Amount field. The total of voucher lines on each voucher release equal the Gross Amount.
	Enter the release amount into the Gross Amount field. For example, enter "416.67".
16.	Use the AP Business Unit field to enter the GEARS Payables voucher contract business unit for the vouchers. Only lines with distributions defined on the Voucher Distribution Information page that match this business unit can be released.
	Click the Look Up AP Business Unit button.



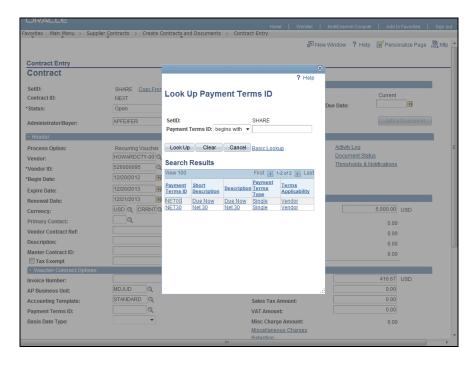
Step	Action
17.	The Look Up AP Business Unit page displays.
	Click the MDJUD link.
18.	Click the Look Up Accounting Template button.





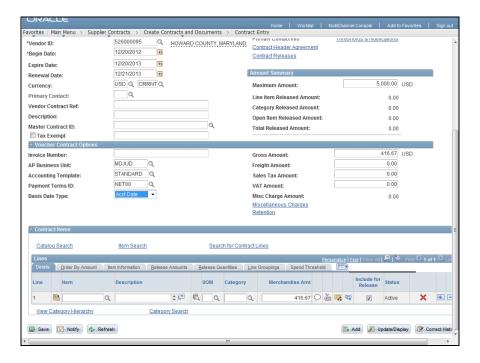
Step	Action
19.	The Look Up Accounting Template page displays.
	Click the STANDARD link. STANDARD
20.	Click the Look Up Payment Terms ID button.



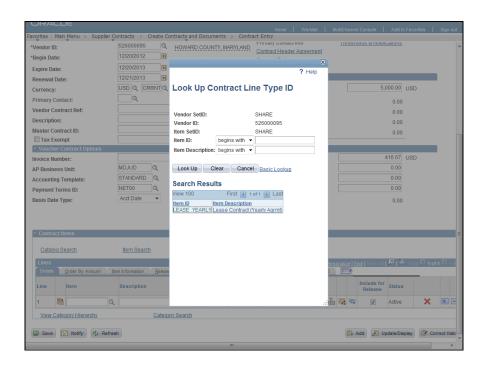


Step	Action
21.	Use the Payment Terms ID field to enter or select the payment terms expected for the vouchers corresponding to any purchase orders or vouchers generated from this contract.
	Click the appropriate payment terms link.
22.	Use the Basic Date Type list to select what date is used to calculate the voucher due date and discount due date, if applicable. This is a voucher-related field used in combination with payment terms.
	Click the Basis Date Type list.
23.	Click the Acct Date list item. Acct Date





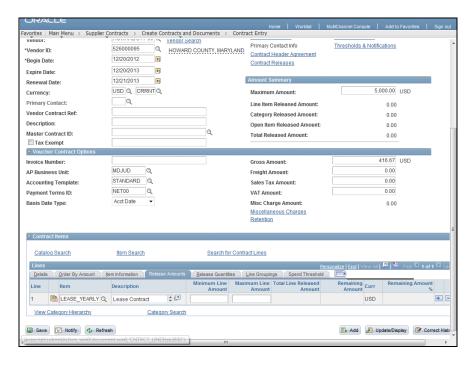
Step	Action
24.	In the Lines section, enter the voucher line information
	Select the appropriate Item ID. Click the Look up Contract Line Type ID button.



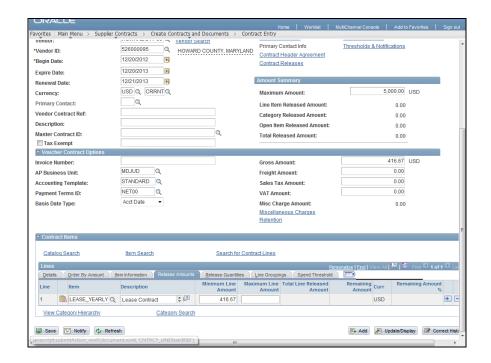


Step	Action
25.	The Look Up Contract Line Type ID page displays.
	Click the LEASE_YEARLY link. LEASE_YEARLY
26.	Click the Voucher Distrib button to add accounting information for the line.
27.	The Voucher Distribution Information for Line page displays.
	You use the Contract Entry - Voucher Distribution Information for Line 1 page to set up one or more distribution lines for each contract line, based on the AP business unit. When you release a contract line to a voucher, the system copies distribution lines to the voucher line.
28.	Enter the Program Cost Account into the PCA field. For example, enter "60081".
29.	Enter the Fund into the Fund field. For example, enter "0001".
30.	Enter the account (sub-object code) into the Account field. For example, enter "0841".
31.	Enter the program into the Program field. For example, enter "B006".
32.	Enter the appropriation number into the Approp Number field. For example, enter " A0006 ".
33.	Enter the appropriation year into the Approp Yr field. For example, enter " AY2013 ".
34.	Click the OK button.



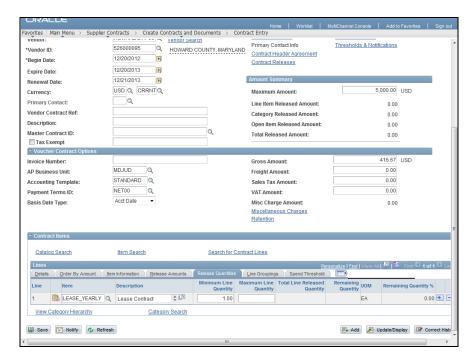


Step	Action
35.	Enter the voucher line amount into the Minimum Line Amount field. In this
	example, there is one voucher line. Enter a valid value e.g. "416.67".



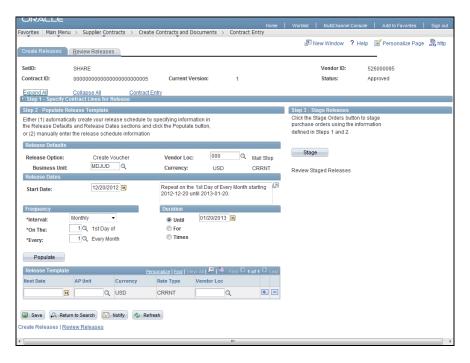


Step	Action
36.	Enter the desired information into the Maximum Line Amount field. Enter a valid value e.g. "5000.00".
37.	Click the Release Quantities tab. Release Quantities



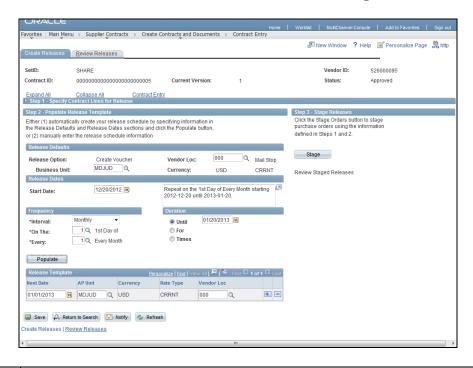
Step	Action
38.	Enter the desired information into the Maximum Line Quantity field. Enter a valid value e.g. "12".
39.	Click the Save button.
40.	Click the Status list. Open ▼
41.	Click the Approved list item. Approved
42.	Click to the Contract Releases link.



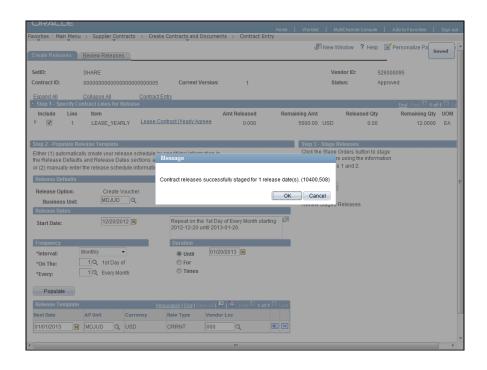


Step	Action
43.	The Contract Releases page displays.
	Use the Create Releases page to generate a schedule for the series of purchase orders or vouchers, and create the releases of the purchase orders or vouchers.
44.	Click in the On The field and enter the appropriate information.
	If you select the intervals of Weekly or Monthly, use the On The field to indicate the day of the week or month on which the purchase order or voucher should be created.
45.	Use the Every field to define whether the purchase order or voucher should be created each year, day, week, or month, or every two, three, four, and so on years, months, weeks, or days. Click in the Every field and enter the appropriate information.
46.	Click the Populate button.
	Populate



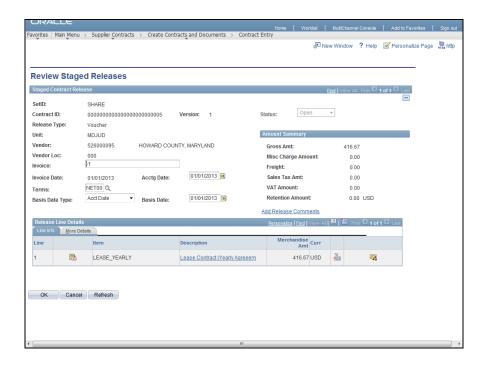


Step	Action
47.	Notice that the Release Template grid displays the release you scheduled.
48.	Click the Stage button to stage qualifying purchase orders or vouchers. A release can be staged for approved contracts only. Stage





Step	Action
49.	Click the OK button.
50.	Click the Review Staged Releases link. Review Staged Releases



Step	Action
51.	The Review Staged Releases page displays.
	The Review Staged Releases grid displays the details of the voucher release(s) you scheduled.
52.	You have successfully completed the <i>Creating Recurring Voucher Contracts</i> topic. You have learned how to: - Create a recurring voucher contract - Specify required contract elements - Stage voucher releases - Review staged release schedule End of Procedure.



1.2 Closing Voucher Contract

You can close voucher contracts on the **Contract Header** page, by changing the voucher contract status to "Closed" and saving the record. You cannot set the status to "Closed" or "Canceled" if there are open lines or staged releases against the contract.

In this topic, you will close a recurring voucher contract.

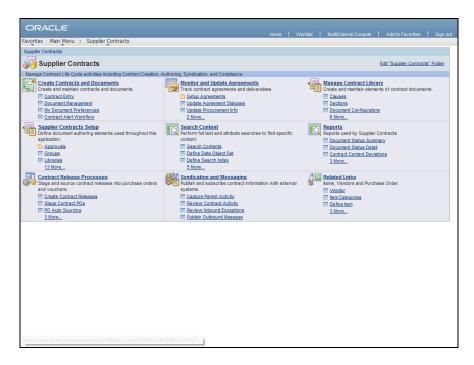
After completing this topic, you will be able to:

• Close a recurring voucher contract

Procedure

Once a contract has completed, and no additional extensions have been awarded, the buyer will close the voucher contract from further releases.

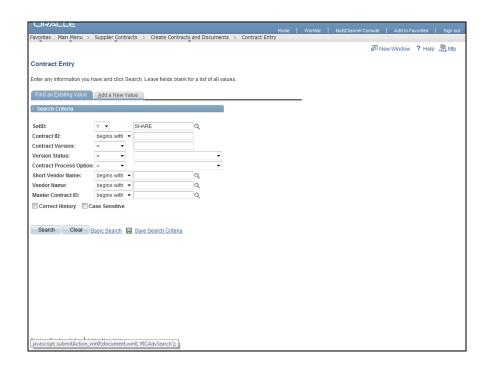
Step	Action
1.	Click the Supplier Contracts link.



Step	Action
2.	Click the Create Contracts and Documents link.



Step	Action
3.	Click the Contract Entry link.
	Contract Entry



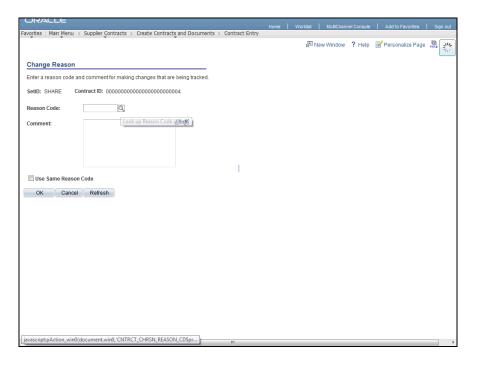
Action
The Contract Entry search page displays.
Click the Search button. Search
Select an appropriate Contract ID link.



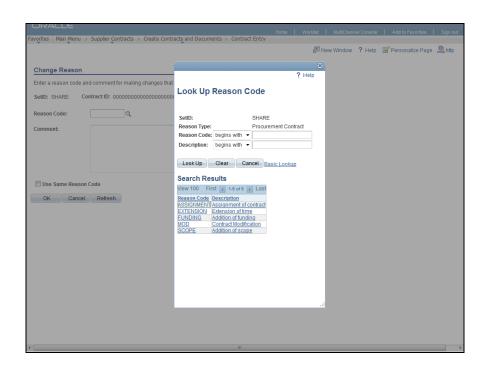


Step	Action
6.	The Contract Entry - Contract page displays.
	Click the Status list. Approved
7.	Click the Closed list item. Closed



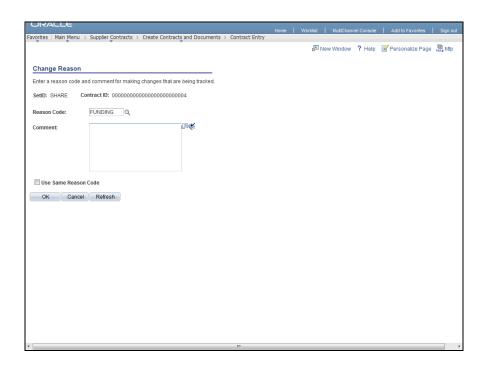


Step	Action
8.	The Change Reason page displays.
	Click the Look up Reason Code button.



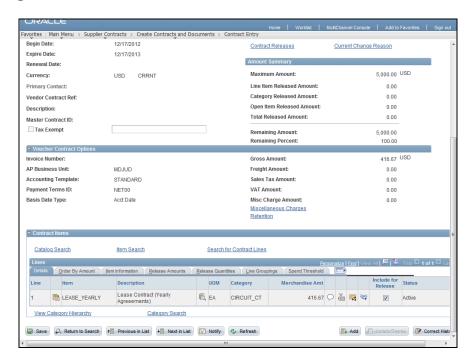


Step	Action
9.	The Look Up Reason Code page displays.
	Click the FUNDING link. FUNDING



Step	Action
10.	Enter the desired information into the Comment field. Enter a valid value e.g. " Unable to extend lease contract into FY2014. "
11.	Click the OK button.





Step	Action
12.	Click the Save button.
13.	You have successfully completed the Closing Voucher Contract topic.
	You have learned how to:
	- Close a voucher contract End of Procedure.



Course Summary



Congratulations!

You have successfully completed the *AP230 Creating and Maintaining Recurring Voucher Contracts* course. In this course, you have learned how to:

- Create a recurring voucher contract and update with accounting information
- Define scheduled dates and stage voucher releases
- Define contract payment terms
- Stage voucher releases
- Close a voucher contract

We hope that you found this class informative, interactive, and fun. Check out other GEARS training courses, available on the GEARS website at http://courtnet/gears/index.html (http://courtnet/gears/index.html).

We are always looking for opportunities to improve our courses. If you have ideas on improving this course please share your feedback by sending us an email at gears@mdcourts.gov (mailto:gears@mdcourts.gov).